

Research on the Risk Conduction Mechanism of Sports Event*

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Abstract The traditional research of sports events risk management all considered events risk as static and isolate individuality. This paper elaborates the significance of dynamic risk management of sports events, and brings forward the concept of risk conduction. The paper analyzes the six major carriers and their following effects on the risk conduction of sports events, including people-carried risk, fund-carried risk, time-carried risk, facilities-carried risk, information-carried risk, and media-carried risk. Then the paper proposes sports events risk management strategies based on risk conduction.

Key words Sports event; Risk conduction; Risk carriers; Conduction path

1 Introduction

Along with the quick development of service economy, the enormous commercial value and social value of sports event is being excavated fast towards commercialization. The operation of sports event under market economy demonstrates complicated characteristics, which intensifies the risks contained, and the potential devastating consequence as well. Risks not only destroy the normal progress of sports event, but also make harm to economic benefits and social benefit at the same time. What is more serious, sometimes the risks contained in sports event even bring danger to the political image of host country. As there will be more and more mega sports event held in China, the research on Sports event risk is becoming more and more important.

2 Literature Review

The research on sports event risk management dates back to the middle 1990s. Early in 1990, Alexander published his book "The Special Event Risk Management Manual" in America. It is the earliest book on sports event risk management. Afterwards, McGraw-Hill published "The Ultimate Guide to Sport Marketing". Sports risk management is also mentioned in this book. Another book "Preparation and risk management of Stadiums and Gymnasiums" detailedly introduces planning and operating management, mass management and violence precautions, and risk management and operation procedure of sports event. Colin Fuller from University of Leicester and Seott Drawer from Britain Sport Bureau^[1] drew a risk frame picture of sports event based on the theory of risk management, which detailedly explained the risk management procedure in sports event, including the all workflow of risk identification, risk analysis, risk assessment, risk communication, the processing method of acceptable risk and unacceptable risk.

The study on risk management of sports event in China accompanies with the development of sports industry in China, especially after 2008 Beijing Olympic Games. Dong Jie^[2] pointed out that, sports event risk refers to the uncertainty faced by the host. Xiao Feng^[3] divided sports event risk into four categories, natural risk, political risk, commercial risks and organizational risks. Liu Qingzao^[4] Wang Shouheng and Ye Qinghui^[5] expounded the procedure of sports risk management. Lu Wenyun^[6] analyzed the types and causes of mega sports event, and proposed the risk management mode of mega sports event. Ling Ping^[7] analyzed various risks existed in competitive sport, and suggested sports insurance to be one effective measure to handle traditional sports risk. Zhang Qizhi^[8] proposed that the common risk control tools included risk prevention, loss control, and risk transfer. Li Guosheng^[9] pointed out that, the precautions included risk aversion, risk reduction and risk transfer.

It is noteworthy that no matter western scholars or domestic scholars, they all analyze sports event risk by way of traditional risk management. None of them pay attention to the dynamic changing process of the risk. As to the research contents, domestic research related with sports risk and risk management basically from the angle of basic theories, for instance, the concept and the classification of the risk, or mechanically apply risk management theory to sports event risk management, with little maneuverability. As to the research depth, most of the existed research treats different kinds of risk isolatedly. They pay little attention to the connection between the risks, and not to say the dynamic

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transformation between them.

In fact, as it has strong dynamic and changing characteristics, the risk element in sports event does not exist isolatedly. Close connection exist between them. One certain risk incident will probably transform or initiate another risk incident, and produce unimaginable negative effect to the event operation. Most of the time, the final breaking out of sports event risk results from the dynamical conduction and uncontrollable accumulation of the risks. As more and more international sports event will be held in China, we urgently demand new experience in sports event risk management research which could display directive significance to practice. The paper proposes dynamic sports risk management theory and method based on risk conduction, it is related to dynamic variation tendency and risk of the risk, analyzes the dynamic mechanism of the risk conduction based on that the correlation between the risks, which shows great theoretical and practical significance.

3 The Six Major Carriers of Sports Event Risk Conduction

The conduction of sports event risk can't do without certain carriers along with certain path. A great deal of factors causes the final breakout of risks. People, financial resources, material resources, time, information and media are all the basic inducement of sports event risks. During the process of risk conduction, the initial risk factor will be transmitted to a series of points and surfaces depending on some tangible materials or invisible effects, and will be enlarged or slowed down with time gradually. The tangible material or invisible effect is called as risk carriers. Without risk carriers, the risk conduction has no way of happening. Sports event risk conduction carriers can be classified into 6 major kinds: people as carriers, fund as carrier, time as carrier, sports facilities as carriers, information as carrier, and media as carrier (see Figure 1).

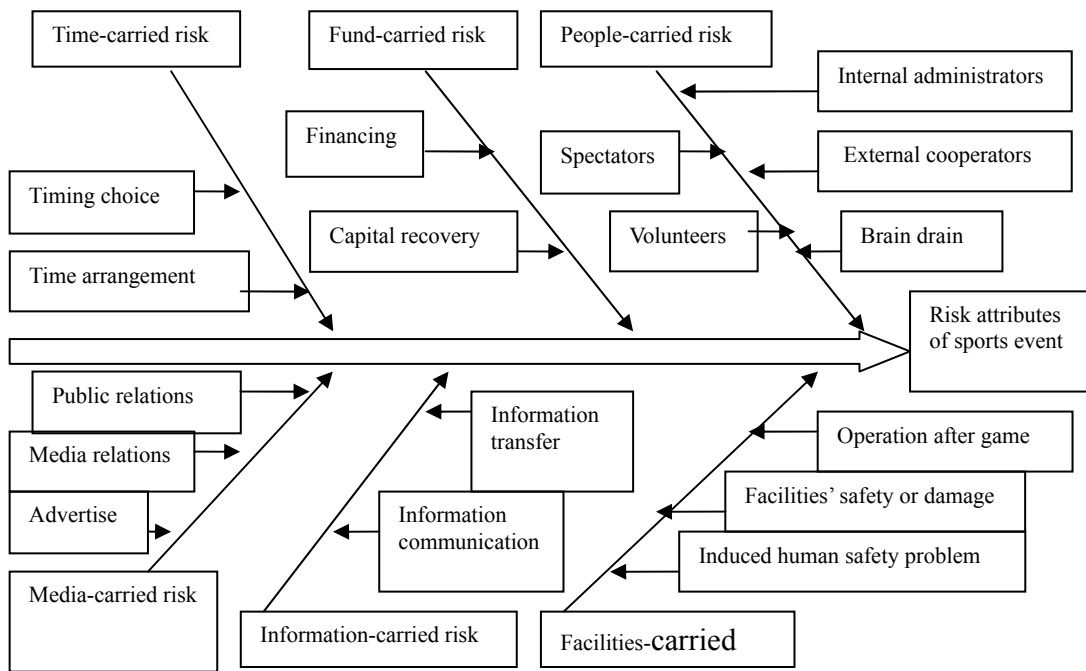


Figure 1 Six Major Carriers and Specific Factors of Sports Event Risk Conduction

3.1 People-carried risk

Generally speaking, the participation people of a sports event include athletes, coaches, referees, officers, audiences, volunteers, administrative staff and intermediaries. One large-scale international sports event may have more than thousands of participants. The complexity of sports event is far from general social activities to compare. Therefore, how to organize the numerous participants with different identities, and avoid risk to happen, is a enormous test that the sports event must face.

3.2 Fund-carried risk

Financial risk refers to the risks existed in various activities that can be measured with currency.

Generally speaking, it includes fund-raising risk and capital recovery risk. Therefore, the fund-carried risk accordingly manifestes as the possibility of deviation from anticipation in the activities of fund-raising and capital recovery.

3.3 Time-carried risk

Time management of sports event includes two aspects. One is the time opportunity choice of sports event, the other is the time arrangement of the sports event. If the hosting time is chosen improperly, the following risks may happen. The first condition, if natural factor such as the weather is ignored, probably the match will cannot be held normally on time. Even it is held on time, the audience's participation enthusiasm will be reduced, and unexpected contingency will be increased. The second condition, if the match is held at the same time with other events, it may face resources scarcity problem. Fierce competition of sports venues, apparatus, contestants, referees and audiences, sponsors, and media will happen. Then the acquisition of resources will be more difficult, and the resource cost will be much higher. The third condition, if the event is held without essential propaganda, it will not get the approval and acceptance of audiences, media, advertisers and sponsors. And big market risk is inevitable. The fourth condition, if the sports event conflicts with other important political activities, then it may be cancelled because of uncoordinated atmosphere.

3.4 Facilities-carried risk

Venues and facilities are the indispensable hardware of sports event. Normally, facilities-carried risk is mainly shown as two respects. One is the facilities' own safety, and the other is their potential danger to people. The former refers to the damage and loss of interrelated buildings, sports instrument and apparatus. The latter refers to the danger caused by facilities to people because of bad design and unreasonable operation. For example, injuries and deaths of crowded audience might happen when entering the narrow stadium pass way.

3.5 Information-carried risk

Information communication and transmission is very important in sports event management. If effective information communication and transmission lacks, any administration behavior will be unable to implement effectively. Inaccurate, opaque, or insecure information transmission will lead to decision mistake or decision fault. If there is no effective communication between the internal members, the information exchanging will be sluggishly or broken down. It is difficult for the administrators to find new problem and take corresponding action in time. Then the risk control capabilities will drop.

3.6 Media-carried risk

The external channel of information dissemination depends mainly on media. The sports event administrators should prudently treat the communication with media. The relationship with media, media's involvement in public activities, and the interaction with media, all will influence the public propagate effects of the sports event. The uncertainty brings risks. When contacting with media, the event holders should take the attitude of responding but not evading. Voluntarily transmitting correct information to the media will help sports event holders get the media's understanding and trust, and prevent the media from forming incorrect information through various informal channels, and affect the normal progress of the event.

4 Conclusion

The risk conduction of sports event cannot carry out without multi-path and multi-carriers. Based on the previous analysis, three ways could be considered to help the scientific and dynamic management of sports event risk conduction. They are inhibiting risk conduction speed, blocking risk conduct route, and inducting risk coupling. Many researchers have study on sports event risks based on traditional risk management theory, but seldom from the angle of dynamic risk management. The application of dynamic ideology into sports event risk management will be a new and valuable topic, which will bring abundant guidance to sports event management practice.

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